

PREFERRED RISK POLICY

GENERAL DESCRIPTION

The Preferred Risk Policy (PRP) is available only in the **B, C, and X Zones**. Only one building can be insured per policy, and only one policy can be written on each building. It is offered only to the owners of 1-4 family residential buildings.

The PRP is **not** available in the Emergency Program or in Special Flood Hazard Areas. Condominium units, except for townhouse/rowhouse type buildings, are not eligible under the PRP.

Townhouse/rowhouse buildings are eligible for the PRP; however, ICC coverage is not available for townhouse/rowhouse condominium units. (See footnote 2 under Coverage Combinations table.)

MAP "GRANDFATHER" RULES

To be eligible for a PRP, the building must be in a B, C, or X Zone on the effective date of the current term as a PRP. The map in effect at the time of any renewal will determine a building's continued eligibility as a PRP. The map grandfathering rules do not apply to the PRP.

ELIGIBILITY REQUIREMENTS

The following conditions should be used to determine a building's eligibility for a PRP based on its flood loss history, regardless of ownership.

If any of these conditions, arising from one or more occurrences, exist, then the dwelling **is not** eligible:

2 loss payments, each more than \$1,000

3 or more loss payments, regardless of amount

2 Federal Disaster Relief payments, each more than \$1,000

3 Federal Disaster Relief payments, regardless of amount

1 flood insurance claim payment and 1 flood disaster relief payment (including loans and grants), each more than \$1,000.

RENEWAL

An eligible risk renews automatically without submission of a new application. If, during a policy term, the risk fails to meet the eligibility requirements, it will be ineligible for renewal as a PRP. Such a risk must be non-renewed or rewritten as a Standard Flood Insurance Policy.

COVERAGE LIMITS

The PRP has the same terms and conditions as the SFIP with one exception: the SFIP's elevated building coverage limitation provisions do not apply to a policy written as a PRP.

Coverage Combinations (EFFECTIVE 6/1/98)

<u>With Basement/Enclosure</u>		
<u>Building</u>	<u>Contents</u>	<u>Premium</u> ^{1,2}
\$ 20,000	\$ 5,000	\$131
\$ 30,000	\$ 8,000	\$156
\$ 50,000	\$12,000	\$196
\$ 75,000	\$18,000	\$221
\$100,000	\$25,000	\$246
\$125,000	\$30,000	\$261
\$150,000	\$38,000	\$276
\$200,000	\$50,000	\$306
\$250,000	\$60,000	\$326

<u>Without Basement/Enclosure</u>		
<u>Building</u>	<u>Contents</u>	<u>Premium</u> ^{1,2}
\$ 20,000	\$ 5,000	\$106
\$ 30,000	\$ 8,000	\$131
\$ 50,000	\$12,000	\$171
\$ 75,000	\$18,000	\$196
\$100,000	\$25,000	\$221
\$125,000	\$30,000	\$236
\$150,000	\$38,000	\$251
\$200,000	\$50,000	\$281
\$250,000	\$60,000	\$301

¹ Premium includes Federal Policy Fee and ICC premium.

² Deduct \$6.00 if townhouse/rowhouse condominium unit.

Building deductible: \$500 Contents deductible: \$500
The deductibles apply separately to building and contents.

Only one of the above coverage combinations may be purchased. Add the \$50.00 Probation Surcharge, if applicable.

REPLACEMENT COST COVERAGE

Replacement cost coverage applies **only if** the building is the principal residence of the insured and the building coverage chosen is at least 80 percent of the replacement cost of the building at the time of the loss, or the maximum coverage available under the NFIP.

FEES/DISCOUNTS

There is no Expense Constant or Community Rating System discount associated with a PRP. The ICC premium is included. Probation fees will be charged. A Federal Policy Fee of \$5.00 is included in the premium and is not subject to commission.

ENDORSEMENTS

The PRP may be endorsed to increase coverage midterm. See page END 4 for an example.

CANCELLATION/NULLIFICATION

An existing Standard Flood Insurance Policy (SFIP) cannot be canceled in order to convert to a PRP. A PRP should be purchased as a new policy at SFIP renewal time.

COMPLETION OF THE FLOOD INSURANCE PREFERRED RISK POLICY APPLICATION

POLICY STATUS

In the upper right corner of the form, check the appropriate box to indicate if the application is for a NEW policy or a RENEWAL of an existing policy. If the application is for a renewal of either a PRP or SFIP, enter the current 10-digit NFIP policy number.

POLICY TERM

The PRP is only available for 1-year terms.

Billing/Policy Period

Check the appropriate box to indicate who should receive the renewal bill. If BILL FIRST MORTGAGEE is checked, complete "First Mortgagee" section. If BILL SECOND MORTGAGEE, BILL LOSS PAYEE, or BILL OTHER is checked, provide mailing instructions in "Second Mortgagee or Other" section.

Enter the policy effective date and policy expiration date (month-day-year). The effective

date of the policy is determined by adding the appropriate waiting period to the date of application in the "Signature" section. The standard waiting period is 30 days. Refer to the General Rule Section, page GR 7, for the applicable waiting period.

AGENT INFORMATION

Enter the agent's (producer's) name, agency name, address, city, state, zip code, telephone number, and tax I.D. Number or Social Security Number.

INSURED INFORMATION

Enter the name, mailing address, city, state, zip code, telephone number, and Social Security Number of the insured.

If the insured's mailing address is a post office box or a rural route number, or if the address of the property to be insured is different from the mailing address, the "Property Location" section of the Application **must be** completed.

DISASTER ASSISTANCE

Check YES if flood insurance is being required for disaster assistance. Enter the insured's case file number, tax I.D. Number, or Social Security Number on the line for CASE FILE NUMBER.

In the "Second Mortgagee or Other" block, identify the government (disaster) agency, and enter the complete name and mailing address of the disaster agency.

If NO is checked, no other information is required.

FIRST MORTGAGEE

Enter the name, mailing address, city, state, zip code, telephone number, and loan number of the first mortgagee.

SECOND MORTGAGEE OR OTHER

Identify additional mortgagees by checking the appropriate box and entering the loan number, the mortgagee's name, mailing address, and telephone number.

If more than one additional mortgagee or disaster assistance agency exists, provide the requested information on the producer's letterhead.

PROPERTY LOCATION

Check "YES" if the location of the property being insured is the same as the insured's mailing address entered in the "Insured Mail Address" section. Leave the rest of this section blank unless there is more than one building at the property location.

If more than one building is at the location of the insured property, use this section to specifically identify the building to be insured. Briefly describe the building or submit a sketch showing the location of insured buildings to assist the NFIP in matching the policy number to the specific building insured.

If "NO," provide the address or location of the property to be insured.

If the insured's mailing address is a post office box or rural route number, give the street address, legal description, or geographic location of the property.

COMMUNITY

Enter the name of the county or parish where the property is located.

Check "YES" if the property is located in an unincorporated area of the county; otherwise, check "NO."

Enter the community identification number, map panel number, and revision suffix for the community where the property is located. Community number and status may be obtained by calling the NFIP toll-free number or by consulting a local community official.

Enter the Flood Insurance Rate Map zone.

BUILDING

Complete all required information in this section.

- Identify the building occupancy. Check Single Family or 2-4 Family.
- Identify date of construction.
- Identify building type. If the building type is a manufactured (mobile) home, the producer **must** provide the make, model, and serial number of the manufactured home in the last block in this section.
- Check "YES" if the building is the insured's principal residence; otherwise, check "NO."
- Enter date of purchase or assignment.

NOTICE

If the answer to either question A or question B is YES, this risk is not eligible for the Preferred Risk Policy.

PREMIUM

Check the coverage combination allowed and add the ICC premium.

Deduct \$6.00 if this is an application for a townhouse/rowhouse condominium unit.

SIGNATURE

The Application cannot be processed without the signature. **Total** premium, payable to the NFIP, must accompany the Application.



FEDERAL EMERGENCY MANAGEMENT AGENCY
National Flood Insurance Program
FLOOD INSURANCE PREFERRED RISK POLICY APPLICATION

O.M.B. No. 3067-0022 Expires September 30, 1998

IMPORTANT - PLEASE PRINT OR TYPE

☐ NEW
☐ RENEWAL
CURRENT POLICY NUMBER
FL _____
IF NEW, LEAVE BLANK

POLICY TERM	DIRECT BILL INSTRUCTIONS: <input type="checkbox"/> BILL INSURED <input type="checkbox"/> BILL FIRST MORTGAGEE <input type="checkbox"/> BILL SECOND MORTGAGEE <input type="checkbox"/> BILL LOSS PAYEE <input type="checkbox"/> BILL OTHER		WAITING PERIOD: <input type="checkbox"/> STANDARD 30-DAY <input type="checkbox"/> LOAN-NO WAITING POLICY PERIOD IS FROM _____ TO _____ 12:01 A.M. LOCAL TIME AT THE INSURED PROPERTY LOCATION																																	
	AGENT INFORMATION ADDRESS AND TELEPHONE NUMBER OF LICENSED PROPERTY OR CASUALTY INSURANCE AGENT OR BROKER: _____ _____ _____ AGENT'S TAX ID <input type="checkbox"/> T OR SSN <input type="checkbox"/> S _____		INSURED INFORMATION NAME, TELEPHONE NUMBER AND MAILING ADDRESS OF INSURED: _____ _____ _____ INSURED'S SOCIAL SECURITY NUMBER _____																																	
DISASTER ASSISTANCE	IS INSURANCE REQUIRED FOR DISASTER ASSISTANCE? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO IF YES, CHECK THE GOVERNMENT AGENCY: <input type="checkbox"/> SBA <input type="checkbox"/> FHA <input type="checkbox"/> OTHER (PLEASE SPECIFY) _____ <input type="checkbox"/> FEMA <input type="checkbox"/> HHS _____ CASE FILE NUMBER _____		SECOND MORTGAGEE IF SECOND MORTGAGEE, LOSS PAYEE OR OTHER IS TO BE BILLED, THE FOLLOWING MUST BE COMPLETED, INCLUDING THE NAME, TELEPHONE NUMBER AND ADDRESS: <input type="checkbox"/> 2ND MORTGAGEE <input type="checkbox"/> DISASTER AGENCY, SPECIFY _____ <input type="checkbox"/> LOSS PAYEE <input type="checkbox"/> IF OTHER, PLEASE SPECIFY _____																																	
	FIRST MORTGAGEE NAME, TELEPHONE NUMBER AND ADDRESS OF FIRST MORTGAGEE INCLUDING LOAN NUMBER: _____ _____ _____ LOAN NUMBER _____		COMMUNITY NAME OF COUNTY/PARISH _____ LOCATED IN AN UNINCORPORATED AREA OF THE COUNTY? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO COMMUNITY NUMBER AND SUFFIX FOR LOCATION OF PROPERTY INSURED _____ FLOOD INSURANCE RATE MAP ZONE _____ INFORMATION SOURCE: <input type="checkbox"/> COMMUNITY OFFICIAL <input type="checkbox"/> FLOOD MAP <input type="checkbox"/> MORTGAGEE <input type="checkbox"/> OTHER, SPECIFY _____																																	
PROPERTY LOCATION	IS INSURED LOCATION SAME AS INSURED MAILING ADDRESS? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO IF NO, ENTER PROPERTY ADDRESS. IF RURAL, DESCRIBE PROPERTY LOCATION. (DO NOT USE P.O. BOX) _____ _____		BUILDING BUILDING OCCUPANCY RESIDENTIAL <input type="checkbox"/> SINGLE FAMILY <input type="checkbox"/> 2-4 FAMILY CONSTRUCTION DATE _____ IS BUILDING: CONDO UNIT <input checked="" type="checkbox"/> TOWNHOUSE/ROWHOUSE CONDO UNIT <input type="checkbox"/>																																	
	BUILDING TYPE (INCLUDING BASEMENT/ENCLOSURE) <input type="checkbox"/> ONE FLOOR <input type="checkbox"/> SPLIT LEVEL <input type="checkbox"/> TWO FLOORS <input type="checkbox"/> MANUFACTURED (MOBILE) HOME <input type="checkbox"/> THREE OR MORE FLOORS		IS BUILDING INSURED'S PRINCIPAL RESIDENCE? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PURCHASE/ASSIGNMENT OF BUILDING _____ (MM/DD/YY) MAKE, MODEL AND SERIAL NUMBER OF MANUFACTURED (MOBILE) HOME: _____																																	
NOTICE	FAILURE TO ANSWER THE FOLLOWING QUESTIONS PROPERLY COULD RESULT IN VOIDANCE OF CONTRACT! THE FOLLOWING CONDITIONS SHOULD BE USED TO DETERMINE A BUILDING'S ELIGIBILITY FOR A PRP BASED ON ITS FLOOD LOSS HISTORY. A) DO ANY OF THESE CONDITIONS, ARISING FROM ONE OR MORE OCCURRENCES, EXIST? 2 LOSS PAYMENTS, EACH MORE THAN \$1,000 <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO 3 OR MORE LOSS PAYMENTS, REGARDLESS OF AMOUNT <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO 2 FEDERAL DISASTER RELIEF PAYMENTS, EACH MORE THAN \$1,000 <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO 3 FEDERAL DISASTER RELIEF PAYMENTS, REGARDLESS OF AMOUNT <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO 1 FLOOD INSURANCE CLAIM PAYMENT AND 1 FLOOD DISASTER RELIEF PAYMENT (INCLUDING LOANS AND GRANTS), EACH MORE THAN \$1,000 <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO B) IS THE BUILDING LOCATED IN A SPECIAL FLOOD HAZARD AREA ON A FLOOD HAZARD BOUNDARY MAP, OR ON A FLOOD INSURANCE RATE MAP ZONE A, AE, A1-A30, AO, AH, A99, AR, AR DUAL ZONES (AR/AE, AR/AH, AR/AO, AR/A1-A30, AR/A) V, VE, V1-V30? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO INSURANCE IS AVAILABLE UNDER THIS APPLICATION ONLY IF THE ANSWERS TO THESE QUESTIONS ARE NO.		<table border="1"><thead><tr><th rowspan="2">BUILDING/ CONTENTS</th><th colspan="2">PREMIUM INCLUDING FEDERAL POLICY FEE AND ICC PREMIUM*</th></tr><tr><th>WITH BASEMENT/ ENCLOSURE</th><th>W/O BASEMENT/ ENCLOSURE</th></tr></thead><tbody><tr><td>\$ 20,000 / \$ 5,000</td><td>A \$131</td><td>J \$106</td></tr><tr><td>\$ 30,000 / \$ 8,000</td><td>B \$156</td><td>K \$131</td></tr><tr><td>\$ 50,000 / \$ 12,000</td><td>C \$196</td><td>L \$171</td></tr><tr><td>\$ 75,000 / \$ 18,000</td><td>D \$221</td><td>M \$196</td></tr><tr><td>\$100,000 / \$ 25,000</td><td>E \$246</td><td>N \$221</td></tr><tr><td>\$125,000 / \$ 30,000</td><td>F \$261</td><td>O \$236</td></tr><tr><td>\$150,000 / \$ 38,000</td><td>G \$276</td><td>P \$251</td></tr><tr><td>\$200,000 / \$ 50,000</td><td>H \$306</td><td>Q \$281</td></tr><tr><td>\$250,000 / \$ 60,000</td><td>I \$326</td><td>R \$301</td></tr></tbody></table> <p>COVERAGE COMBINATIONS (NOTE: NO OTHER COMBINATIONS AVAILABLE) BLDG. DEDUCT \$500 CONTS. DEDUCT \$500 RATE TABLE TYPE: 7 * DEDUCT \$6.00 IF TOWNHOUSE/ROWHOUSE CONDOMINIUM UNIT; ADD PROBATION SURCHARGE, IF APPLICABLE.</p>		BUILDING/ CONTENTS	PREMIUM INCLUDING FEDERAL POLICY FEE AND ICC PREMIUM*		WITH BASEMENT/ ENCLOSURE	W/O BASEMENT/ ENCLOSURE	\$ 20,000 / \$ 5,000	A \$131	J \$106	\$ 30,000 / \$ 8,000	B \$156	K \$131	\$ 50,000 / \$ 12,000	C \$196	L \$171	\$ 75,000 / \$ 18,000	D \$221	M \$196	\$100,000 / \$ 25,000	E \$246	N \$221	\$125,000 / \$ 30,000	F \$261	O \$236	\$150,000 / \$ 38,000	G \$276	P \$251	\$200,000 / \$ 50,000	H \$306	Q \$281	\$250,000 / \$ 60,000	I \$326	R \$301
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SIGNATURE	(ONE BUILDING PER POLICY - BLANKET COVERAGE NOT PERMITTED) THE ABOVE STATEMENTS ARE CORRECT TO THE BEST OF MY KNOWLEDGE. THE PROPERTY OWNER AND I UNDERSTAND THAT ANY FALSE STATEMENTS MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW. SIGNATURE OF INSURANCE AGENT/BROKER _____ DATE _____ (MM/DD/YY) (OVER)																																			

PLEASE ATTACH TO NFIP COPY OF APPLICATION THE CHECK OR MONEY ORDER FOR THE TOTAL PREPAID PREMIUM MADE PAYABLE TO THE NATIONAL FLOOD INSURANCE PROGRAM
FEMA Form 81-67, JUNE 98 (EFFECTIVE JUNE 1, 1998) PREVIOUS EDITIONS ARE OBSOLETE. 0089 (2/98)
SPECIAL NOTE TO INSURANCE AGENT: SEND ORIGINAL TO NFIP, KEEP SECOND COPY FOR YOUR RECORDS, GIVE THIRD COPY TO THE INSURED, AND FOURTH COPY TO MORTGAGEE.